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# Understanding Financial Literacy and Competence: Considerations for Training, Collaboration, and Referral for MFTs

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# Understanding Financial Literacy and Competence: Considerations for Training, Collaboration, and Referral for MFTs

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*Developing clinical competencies is a foundational feature for most mental health disciplines. Evidence suggests that many couples attending marital therapy regularly report that financial concerns are a significant contributor to their collective distress. Despite the reports of financial distress being a common occurrence, many practitioners are unfamiliar with available resources to remediate the problem. The authors address the concepts of practitioner competence in financial literacy, client financial problems, the benefits of financial literacy, and suggest a referral process, grounded in ethical decision making, that provides appropriate treatment considerations to clients experiencing such distress. The Referral for Financial Concerns Questionnaire (RFCQ) and the Personal & Relationship Financial Assessment Tool (PREFAT) are introduced. Finally, the authors provide suggestions for professional collaboration between mental health practitioners, financial planners, and financial counselors.*

*Keywords: financial competence; couples therapy; financial literacy; MFT training*

During the past decade, considerable effort has been made in various mental health disciplines to establish a set of core competencies to create a unified standard of professional, ethical, and clinical behaviors (e.g., American Association of Marriage and Family Therapy (AAMFT) Core Competencies, American Psychological Association (APA) Competency Initiatives, and Council for Accreditation of Counseling and Related Educational Programs (CACREP) Counseling Standards). Developing a baseline set of skills, professional practices, and empirical support is a foundational endeavor for any field that provides services to the general public (Houston, Knabb, Welsh, Houskamp, & Brokaw, 2010). Sprenkle (2012) suggested that although the rich legacy and theoretical depth associated with providing mental health counseling to couples and families are important,

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in their relative infancy they have not yet established a firm empirical identity. Such critiques have not gone unnoticed. Professional organizations have worked diligently to create an established identity grounded in ethics and empiricism (Sprenkle, 2012). Even as evidence for the efficacy of mental health work with couples and families mounts, our understanding of what we do not know becomes more definitive. Paradoxically, what we do not know teaches us about what we need to know (e.g., "competence") in our efforts to effectively intervene. Competence is not a destination, but a process whereby client needs determine the level of baseline practitioner skill required to adequately resolve the presenting issue.

Recently, many in the mental health field have uncovered the importance of financial health in mental health training and literature (Britt, Huston & Durband, 2010; Dew & Stewart, 2012; Durband, Britt & Grable, 2010; Falconier & Epstein, 2011; Gillen & Loeffler, 2012). The purpose of this paper is to explore the standards of competence held by therapists as they relate to assessment and treatment of financial concerns among their clients.

## DEVELOPING CLINICAL COMPETENCE

Broadly stated, competence, in virtually any discipline, refers to one's ability to achieve "mastery" with regard to external roles and internal development (Waters & Lawrence, 1993). Some believe that the concept of competence is too broadly defined and only considers external entities in determining competence (Boekaerts, 1991). Boekaerts (1991) advocated for an expanded conceptual definition of competence that she referred to as subjective *and* objective competence. In this heuristic conversation, objective competencies are commonly accepted beliefs or standards about a set of baseline behaviors that are monitored by an external entity and by which a series of assessments are provided to determine an outcome. By contrast, subjective competence is the manner in which one appraises adherence to and skill at administering the objective competencies. Thus, competence is both a discretely internal appraisal and an externally determined standard substantiated by various empirical metrics that measure the desired outcome.

Current standards in couple therapy practices seemingly embrace a more inclusive concept of competence. An example of an external competence can be evidenced by the attempts of one mental health professional group, the AAMFT, to adhere to a set of core competencies developed in 2004 (AAMFT Core Competencies, 2004). Subsequently, AAMFT has worked closely with the Commission on Accreditation of Marriage and Family Therapy Education (COAMFTE) to move toward a model that relies heavily on the delivery of an educational outcomes assessment model to determine competence (see version 11 of COAMFTE standards (American Association for Marriage and Family Therapy, 2005)). Conversely, evidence of subjective competence is often found in the self-of-the-therapist literature (Simon, 2006). Various approaches provide assessment tools for clinicians to rate their attainment of salient theoretical and clinical constructs, as well as their personal responses and biases to clinical situations (Cheon & Murphy, 2007; Simon, 2006). Many of the professional organizations that provide training in couple therapy (e.g., AAMFT, ACA,

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and APA) have made great strides by developing competencies that guide their respective professions and the development of the professionals that represent their fields.

Creating financial literacy and competence among mental health practitioners will require a concentrated effort on the part of scholars and educators. Proponents of financial literacy education would do well to apply a pattern for developing a consistent conceptual definition and practice standards as those who helped develop multicultural competence guidelines for therapists. Researchers and educators worked to develop consensus on conceptual definitions that drive the manner in which material is delivered to students and clients (Constantine, Juby, & Liang, 2001). In an effort to develop multicultural competencies, task force members identified three common areas that therapists would need to develop in order to be competent: knowledge, awareness, and skills (Arredondo et al., 1996). Additionally, a common definition of multicultural competence, "the ability of a counselor to respond in a sensitive and appropriate manner to those who are culturally different" (Coleman, Morris, & Norton, 2006, p. 28) has been embraced as the standard to which educators and clinicians seek to aspire. Developing a competency framework for mental health practitioners intervening with couples in financial distress will require many of the same elements (Gale, Goetz, & Britt, 2012). Though we recognize the central features of multicultural competence are very different from those of financial competence, we believe therapists will need to embrace a similar philosophy—developing knowledge, skills, and awareness—in their efforts to assess for and respond to the various financial stressors clients present if they are to make any substantive progress in becoming competent in this area. To the best of our knowledge, the operational definition of *financial competence* in therapy has never been fully developed (Asebedo, McCoy, & Archuleta, 2013). We have defined it as "having the financial knowledge, awareness, and skills necessary to understand and appropriately assist clients in resolving financial stress or hardship." *Financial literacy* has been defined as "measuring how well an individual can understand and use personal finance-related information" (Huston, 2010, p. 306).

## BENEFITS OF FINANCIAL LITERACY

There is a positive association between the variables of relationship satisfaction and financial satisfaction (Grable, Britt, & Cantrell, 2007). Financial literacy is also related to increased physical, emotional, and psychological well-being. Norvilitis, Szablicki, and Wilson (2003) found that perceived financial well-being appeared to be related to psychological well-being, having lower levels of dysfunctional attributes, and the ability to feel more in control of one's life. Improving financial literacy is a way to increase empowerment and improve quality of life (Knapp, 1991; Voydanoff, 1990), while on the other hand, financial illiteracy wastes energy, thought, and time that could be spent elsewhere. Financial literacy also promotes self-confidence, control, and independence (Allen, Edwards, Hayhoe, & Leach, 2007; Conger, Jewsbury-Conger, Matthews, & Elder, 1999). Hence, financial literacy is beneficial for families (Jorgensen & Savla, 2010) as evidenced by enhanced family and marital relationships, increased physical and psychological well-being, improved financial decisions, and increased overall quality of life. While we do not believe that financial literacy is the panacea for all family problems, we do suggest that with some couples it is an appropriate and important area to intervene.

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Additionally, we contend that mental health practitioners must be financially literate in an effort to competently intervene with clients experiencing financial distress (Poduska & Allred, 1990), the effects of which can have a cascading effect on various emotional and social processes in family life.

## COUPLE FINANCIAL DISTRESS

Economic distress can have a dramatic impact on the health and well-being of couple and familial relationships (Crosnoe, Mistry, & Elder, 2002; Morris & Gennetian, 2003; Seccombe, 2000). Economic distress has been associated with depression, anxiety, and psychological distress (Voydanoff, 1990) as well as emotional distress and internalizing problems (Conger et. al, 1999). Researchers have noted that financial strain increases couple conflict and the risk of dissolution. (Conger et al., 1990; Fox & Chancey, 1998; Sobolewski & Amato, 2005). Not only has empirical research shown that financial problems are a primary stressor for couples (e.g., Amato & Rogers, 1997; Aniol & Snyder, 1997; Cano, Christian-Herman, O'Leary, & Avery-Leaf, 2002; Zagorsky, 2003), but the degree of conflict between spouses has been linked to economic strain (Conger et al., 1990; Hancock & Jorgensen, 2012; Kinnunen & Pulkkinen, 1998; Voydanoff & Donnelly, 1988; Wadsworth & Compas, 2002).

Couple relationships are not merely at the mercy of the objective economic circumstances of financial hardship (e.g., unemployment), but also the subjective (perceived) experience of not being able to meet basic financial needs (Dakin & Wampler, 2009; Dew & Dakin, 2011). For example, multiple studies have found income and employment to be related to divorce, and that perceived economic hardship predicts marital quality (Clark-Nicolas & Gray-Little, 1991; Conger et al., 1990; Fox & Chancey, 1998; Seccombe, 2000; White & Rogers, 2000). Uncertainty about one's financial future seemingly creates fear that then exacerbates the lived experience of distress and instability (Conger et al., 1990; Fox & Chancey, 1998).

The number of families experiencing economic hardship fluctuates year to year (U.S. Bureau of Labor Statistics, 2012); however, dramatic changes in the landscape of the American job market have impacted the manner in which couples relate to each other (Dakin & Wampler, 2009). Unemployment, for example, ranks as one of the most stressful life events (Catalano, 1991), which, in turn, may impact couple quality through stress, depression, and hostility (Conger et al., 1990). It is too early to tell what the increase in unemployment and economic stress from the recent recession will do to marriages and families, but the past may provide insight. Liker and Elder (1983) reported that income loss during the 1930s was associated with marital tension years later. They found the residual effect of chronic economic hardship and unemployment increased marital tension and ultimately marital dissolution.

Miller, Yorgason, Sandberg, and White (2003) found that the most commonly reported problem area for couples was financial matters, second only to communication. Thirty-eight percent of men and 27% of women (married three years or less) considered

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financial matters as problematic. This percentage increased to 56% of men and 68% of women (married 10 years or more), which may indicate that financial issues become increasingly problematic across the lifespan of a couple. The ability for couples to appropriately resolve emotionally difficult topics like finances are isomorphic of other couple processes that may impact relational health (Dew & Dakin, 2011).

## ASSESSMENT OF FINANCIAL AFFAIRS

When clients come to therapy, financial distress may be the identified problem or it may be one buried in the midst of many other presenting issues. Recognizing if there is financial distress present becomes an integral job of the clinician. Many clinicians already use multi-axial assessments that are sensitive to some of the prominent financial concerns commonly addressed in systemic therapies: job distress, relational distress, suicidal ideation, sexual distress, communication difficulty, domestic violence, and addiction. It appears, however, that clinicians do not generally attend to client behaviors unless they are imminently harmful to the client (e.g., suicidal or homicidal ideation) or immediately relevant to the presenting concern (e.g., relational hostility, communication difficulty, or sexual distress) (Dersch, Harris, & Rappleyea, 2006). In a recent survey of Financial Therapy Association (FTA) members, only 15% of the 70 members surveyed indicated that they used any formalized assessment procedures to determine the severity of financial distress (Asbedo, McCoy, & Archuleta, 2013). From the available literature, it appears that if financial distress is not the presenting concern for clients in therapy it likely will not be addressed by the therapist during the standard course of treatment.

Therapists have been observed committing attribution errors in their assessment procedures (Rappleyea, Harris & Dersch, 2008). An attribution error occurs when a therapist does not assess for a problem not explicitly stated on an intake form because they perceive that a client does not fit a preconceived profile of a person who might be struggling with such a problem (e.g., violent behavior, addiction issues, and financial distress) (Dersch et. al, 2006; Rappleyea et. al, 2008). Though no research has yet determined the extent to which therapists appraise the necessity of addressing financial distress during assessment procedures, we suspect that many therapists may underestimate the severity of financial problems because a client's physical profile may not suggest the severity of the financial distress. Aniol and Snyder (1997) indicated that many couples are themselves uncertain whether or not the remediation of financial issues in couple relationships requires a marriage therapist or a financial planner. Some financial concerns are less overt (e.g., bankruptcy or estate planning) and are more subtle and may be related to the relational distress the couple experiences. For example, therapists are very likely to discover that couples argue about money regularly, lie or deceive their partner regarding spending habits, hide financial affairs, simply do not talk about money, or restrict partner access to money as a means to control behavior. Despite the numerous behaviors clients may use around the topic of finances, the authors believe that a detailed self-assessment (subjective and objective competence), coupled with a few brief items aimed at understanding the process of financial affairs with clients, would provide important information about how to intervene in problematic relational processes. Two such assessments are explained below.

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### *Referral for Financial Concerns Questionnaire (RFCQ)*

Negotiating financial affairs is one of the most commonly cited reasons that couples seek marital therapy (Durband et al., 2010; Myhre & Sporakowski, 1986). However, many mental health professionals lack the awareness and skills necessary to appropriately intervene. In an effort to assist therapists and clinicians in recognizing when to treat clients for issues related to financial distress, refer for such treatment, or collaborate with a financial planner or counselor, the authors created the Referral for Financial Concerns Questionnaire (RFCQ; see Appendix A). The RFCQ was developed by licensed MFTs and an expert in the financial planning/counseling field and was based on an extensive review of the literature and current financial literacy questionnaires. In developing a new measure, the authors sought out several seasoned couple therapists and financial planners to develop face validity of the questionnaires. Turner (1979) asserts that developing face validity—determining that a construct in fact measures the target variable—is a necessary precursor in developing the empirically validated concepts of construct, criterion, and content validity. We attempted to achieve face validity by asking practitioners to provide feedback on the measure and to ensure that the construct of financial concerns was sufficiently covered. Feedback from our informal process was incorporated into the final version. The RFCQ has not been pilot tested, but the authors hope to share data gathered from using the RFCQ in future publications. Level of financial knowledge or competence of the therapist is not measured in this questionnaire, but is left to the therapist to determine.

The RFCQ contains nine items. After reviewing the literature and the available instruments, the authors synthesized the material into three core constructs for each of the first two sections of the RFCQ (i.e., items 1-3 and items 4-6). The focus of the first three items is on therapists' own subjective financial competence. The focus of items 4-6 is on their level of financial competence in working with client concerns. Items 7-9 were created to guide the therapist in determining whether a referral to a financial planner or counselor is appropriate. Form A explains the RFCQ items and how to interpret the scores from Form B. Form B is the instrument therapists should use to determine their level of financial competence.

A review of the literature identified financial planners as more content experts and financial counselors as content (though often less so than the financial planners) and process experts. To help therapists better distinguish between content and process, we created the Personal & Relationship Financial Assessment Tool (PREFAT).

### *Personal & Relationship Financial Assessment Tool (PREFAT)*

The PREFAT (see Appendix B) was developed not only to support items 7-9 on the RFCQ, but also as a stand-alone assessment tool therapists can use. Appendix B (Form A) is for therapists to use as they ask questions of their clients to determine the extent of their financial concerns. Appendix B (Form B) is available for therapists to give to their clients to complete. Form B addresses the client, whereas Form A addresses the therapist and

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provides considerations for referral. Similar to the RFCQ, the PREFAT was developed using the same extensive review of the literature and questionnaires and feedback from independent experts. In addition, multiple financial planning and counseling textbooks were reviewed to determine the items under each of the three columns. While the lists aren't exhaustive, they touch on key indicators found in the literature.

## DETERMINING WHEN TO COLLABORATE OR MAKE A REFERRAL

The aphorism "know thyself" is highly applicable to the concept of subjective competence and the art of conducting couple therapy, part of which includes getting to know your financial self. Part of the self-of-the-therapist is to increase personal awareness about addressing financial issues in one's own life. Seeking to improve one's own level of subjective and objective clinical competency has been noted as an area of improvement for mental health educators and trainees (Chenail, 2009). Furthermore, as part of the developing conversation on competencies, one mental health organization suggests that clinicians "recognize issues that might suggest referral for specialized evaluation, assessment, or care" (AAMFT, 2004, p. 2). The authors suggest that therapists who find themselves struggling with financial affairs seek out professional assistance to resolve such matters and ensure that clients struggling with similar concerns be referred to another therapist.

### *Referral to Financial Counselors and Financial Planners*

To make an appropriate referral, practitioners must know how other professions can help treat the problem and what services they provide beyond the scope of therapy. Specifically, being familiar with the services that financial planners and financial counselors can provide clients would greatly enhance the referral process. The RFCQ guides the therapist in determining whether their level of subjective competence (Boekaerts, 1991) is sufficient to deal with the financial concern, or whether they should refer the client to a financial counselor or a financial planner.

Items 1-6 of the RFCQ relate to *all* clients who demonstrate financial concerns, and guide the therapist to ascertain whether their level of subjective competence is sufficient to deal with the financial concerns of their clients. Items 1-3 help the therapist understand where they are in their own relationship with money. The score is intended to provide a feedback loop to process whether they feel confident in working with clients with financial concerns. Therapists can determine the appropriate course of action, whether to obtain supervision, consult with another counselor, or move forward to address the concerns independently. Items 4-6 help the therapist determine if they feel financially competent to help their client(s). For example, does the therapist understand the intersection between their client, money, and their client's relationships and how to discuss these relationships in a way that changes the client's financial attitudes and behaviors, as well as their perception of their financial situation? The ability to successfully navigate financial issues in relationships comes from training in the specialty area of family finances and financial counseling. If the therapist has not had sufficient training in this specialty area, does not feel financially competent, and if the client's financial concerns are such that they need

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some specialized financial help, therapists should refer to and possibly work in conjunction with a financial planner or a financial counselor to meet the client's needs.

Items 7-9 of the RFCQ are used for *each* client, in conjunction with the Personal & Relationship Financial Assessment Tool (PREFAT, Appendix B), and refer more to the client's needs in addition to the therapist's objective financial competence. The PREFAT can be completed by the therapist (Form A) or the client (Form B) to help determine if financial issues need to be addressed. If financial stress is apparent and financial issues need to be addressed, the therapist can use the tool to determine whether to refer the client and to whom. Item 7 helps the therapist decide whether to refer their client to a financial planner (financial problems are more objective and indicative of a content area – e.g., budgeting, debt, investing, estate planning) or a financial counselor (financial problems are more subjective and related to process – e.g., family of origin issues, money personalities, communication about money). If financial problems are more objective in nature and lean more toward a specific content area and a financial planner would help resolve the issue (item 8), the therapist can make the referral and decide which issues can be addressed by the planner and which issues the therapist should address. Referrals to financial planners may be especially pertinent when a client's financial issues are directly impeding the therapeutic progress. Financial planners can help families create a budget, assist with taxes, create an investment/retirement strategy, and plan for their financial sustainability. As clients begin to feel more in control of their financial situation, financial distress will decrease and marital and family relationships may improve (Dakin & Wampler, 2009; Kerkmann, Lee, Lown, & Allgood, 2000; Norvilitis et al., 2003).

If a client's financial problem is more subjective and about process, it must be determined if the issue can be treated effectively with process knowledge only, considering the current competence of the therapist (e.g., conflict resolution, communication, or addiction therapy), or if financial competence is also needed. As referenced in the literature review, the ability for a therapist to make such an appraisal during the course of therapy speaks to the importance of attaining both subjective (self-narratives about attending to reported issue) and objective (observed behaviors) competence in treating the financial concerns of their clients. The answer to item 9 of the RFCQ, in conjunction with the PREFAT, can help support the decision about whether a financial counselor is needed. Item 9 asks whether the client would receive better care from someone who understands process as well as content. If financial competence is needed, a referral to a financial counselor is in order. The therapist will have to decide if there are other issues with which they can and should help the client, and whether such help should occur during or after clients are seen by a financial counselor.

Financial counselors are proficient in assisting clients in recognizing the financial attitudes and behaviors that create economic distress (Archuleta et al., 2012). Furthermore, they seek to alleviate the distress by helping clients recognize their personal relationships with and attitudes toward money. They also are adept at shedding light on how the couple can effectively work together on money issues even when their money attitudes and money personalities may differ. Financial counselors can also teach their

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clients some of the basics regarding how to competently manage their finances. Financial counselors recognize that money problems are only symptoms of attitude and behavior problems (Mason, 1992). Referrals to financial counselors could take place when clients' financial and emotional problems are interconnected in such a way that assistance in both areas is needed. We have provided a few examples in the next sections of when a therapist might or might not elect to refer a client to a financial planner or financial counselor.

**Refer to a financial planner.** A client has high financial stress among other issues. She is worried about putting money away for saving and retirement, but is currently living paycheck to paycheck and does not know how she will save when she never seems to have money left over at the end of the month. She is getting older and her debt continues to increase, whereas her saving and investing remain low. In this scenario, a financial planner can help the woman to get out of debt and begin saving for retirement while the therapist helps address the underlying processes behind the financial stress and other issues in her life.

**Refer to a financial counselor.** A couple comes to your office and explains that they disagree on almost every financial decision. She is a spender and he is a saver. She likes brand name clothes, high-end new cars, and wants to live in a nice, expensive house. On the other hand, he is frugal with money and does not think monetary things are that important. He does not understand why his partner cares so much about "expensive things" and she believes he should just "lighten up and live a little." They cannot agree on how much to save or spend and it is a constant argument and stressor in their life. Other than their disagreement about money, they get along fairly well. Unless the therapist has received training in this area, it may be better to refer this case to a financial counselor who has specific training on these very issues. Once the financial counselor begins working with the couple, he can refer the couple back to the therapist if other issues become apparent.

### *Referral to Mental Health Practitioners*

Mental health practitioners should learn when to refer to financial counselors and financial planners, just as financial counselors and financial planners should learn when to refer to mental health clinicians (Taylor, Bernes, Gunn, & Nixon, 2005). Taylor et al. (2005) called for collaboration between financial planners and psychologists, which can also be applied to all mental health professionals. Because of their appreciation of contextual stressors, Marriage and Family Therapists (MFTs) are theoretically well-suited to address client financial problems. Financial problems are frequently systemic and larger than just the individual. MFTs understand that client problems (including financial problems) are contextual and systemic – contextual, as there is a history behind problems; and systemic, as multiple individuals in the system share the problem, including the transgenerational system.

Financial planners, counselors, and couple therapy practitioners each have different strengths when covering content and process. Financial planners understand the content of the problem with their financial literacy training, but do not have any relational training to understand underlying processes behind the problem. Financial counselors receive both financial literacy training as well as clinical process training, yet their expertise in each area

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is not as extensive as financial planners or clinicians. Couple therapy practitioners are trained to understand the relational process with their clinical competence (therapy skills and systems thinking), but often fall short on the content (financial literacy). By working together, financial planners, financial counselors, and couple therapy practitioners can provide an effective treatment model to alleviate identified distress. However, we advocate that MFTs interested in learning the content area of personal finance increase their financial competence in order to better assist clients with their financial problems.

## CONCLUSION AND FUTURE DIRECTIONS

Financial literacy and therapist competency may yet be a source of under-developed resources for therapy practitioners to employ in the amelioration of couple and family distress. Initial findings from collaborative treatment approaches between couple therapists and financial planners appear to be promising (Kim, Gale, Goetz, & Bermudez, 2011). There are a number of outcomes for increasing therapists' competence in treating client financial problems. Many of these outcomes depend on the professional parameters and resources our field is able to render on behalf of increasing financial literacy training and financial competence among therapists. In addition, collaborating with financial professionals and knowing when to refer clients to a financial counselor or financial planner is important to help resolve these problems (Archuleta et al. 2012; Durband et al., 2010). We hope the assessment tools introduced in this paper, the RFCQ and the PREFAT, will be used by mental health professionals and will have a significant impact in facilitating these collaborative efforts. We call for researchers to create instruments that reliably measure therapists' financial literacy and competence.

Financial counseling training and research should be seamlessly integrated into the curricula for mental health and business professionals that regularly work with couples and families (Durband et al., 2010). The development of courses (required or elective) in training programs or professional workshops allow practitioners the opportunity to learn the necessary skills to increase their collective proficiency and competence when working with couples and families that experience financial strain. Collaborative ventures between university programs that house business or personal financial planning and mental health programs can combine resources to create curricula that allow students to become financially competent. Finally, we believe that the development of financial competencies would greatly improve the service delivery for clients that experience significant financial distress. Assisting clients in gaining the necessary awareness and skills to be financially literate, coupled with the standard process of mental health training to interrupt redundant interaction patterns, might very well be a salient intervention in treating couple distress.

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## APPENDIX A

Referral for Financial Concerns Questionnaire (RFCQ - Form A)

The Referral for Financial Concerns Questionnaire (RFCQ) assists the therapist in determining whether their level of competence is sufficient to deal with the client's financial concerns, whether they should refer the client to a financial planner, or whether they should refer the client to a financial counselor.

Items 1-3 guide the therapist in determining whether their level of subjective competence is sufficient to deal with personal financial concerns. Options range from strongly disagree (1) to strongly agree (6). Therapists with a sum score of 3-11 have a low level of subjective financial competence and should continue to work on their internal development until they can score between 12 and 18. Therapists who score under 12 should strongly consider seeking out professional assistance themselves and should strongly consider referring their client to another therapist.

1. I feel confident managing my own financial situation.
2. I am in control of my money.
3. I can comfortably communicate about money with my partner/family.

Items 4-6 guide the therapist in determining whether their level of subjective competence is sufficient to deal with the financial concerns of their clients. Options range from strongly disagree (1) to strongly agree (6). Therapists with a sum score of 3-11 have a low level of subjective financial competence and should continue to work on their financial competence until they can score between 12 and 18. Therapists who score under 12 should strongly consider referring their client to either a financial planner or a financial counselor.

4. I understand how to navigate my client's relationship with money (e.g., money personality, money history) and how that relationship intersects with their partner's relationship with money.
5. I feel comfortable working with my client specifically to recognize and change their financial attitudes and behaviors regarding money.
6. I feel comfortable working with the financial concerns of my client(s).

Items 7-9 suggest whether the therapist should refer clients with financial concerns to a financial planner or a financial counselor.

7. Is the financial problem more of a content area (e.g., budgeting, investing, estate planning), or a process area (e.g., money personalities, communication about money)? Therapists can use the Personal & Relationship Financial Assessment Tool (PREFAT) to help determine the problematic financial content and process areas.
8. Could my client use added help in specific financial content areas (e.g., budgeting, debt, investing, estate planning)? If yes, therapists should strongly consider referring their client to a financial planner.

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9. Could my client use added help in specific financial process areas (e.g., money personalities, communication about money)? If yes, therapists should strongly consider referring their client to a financial counselor.

Referral for Financial Concerns Questionnaire (RFCQ - Form B)

| | **Strongly Disagree** | **Somewhat Disagree** | **Disagree** | **Agree** | **Somewhat Agree** | **Strongly Agree** |
|---|---|---|---|---|---|---|
| 1. I feel confident managing my own financial situation. | 1 | 2 | 3 | 4 | 5 | 6 |
| 2. I am in control of my money. | 1 | 2 | 3 | 4 | 5 | 6 |
| 3. I can comfortably communicate about money with my partner/family. | 1 | 2 | 3 | 4 | 5 | 6 |
| 4. I understand how to navigate my client's relationship with money (e.g., money personality) and how that relationship intersects with their partner's relationship with money. | 1 | 2 | 3 | 4 | 5 | 6 |
| 5. I feel comfortable working with my client specifically to recognize and change their financial attitudes and behaviors regarding money. | 1 | 2 | 3 | 4 | 5 | 6 |
| 6. I feel comfortable working with the financial concerns of my client(s). | 1 | 2 | 3 | 4 | 5 | 6 |

| |
|---|
| 7. Is the financial problem more of a content area (e.g., budgeting, investing, estate planning), or a process area (e.g., money personalities, communication about money)? Therapists can use the Personal & Relationship Financial Assessment Tool (PREFAT) to help determine the problematic financial content and process areas. |
| 8. Could my client use added help in specific financial content areas (e.g., budgeting, debt, investing, estate planning)? If yes, therapists should strongly consider referring their client to a financial planner. |
| 9. Could my client use added help in specific financial process areas (e.g., money personalities, communication about money)? If yes, therapists should strongly consider referring their client to a financial counselor. |

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## APPENDIX B

The Personal & Relationship Financial Assessment Tool (PREFAT - Form A)

Ask the client which of the following issues are impacting their relationship(s). Determine whether to address the financial issues yourself or whether to refer to a financial planner or counselor.

| **Financial Content**<br><br>*What financial situations are you or partner/family members currently facing?*<br><br>*(Mark all issues that apply)* | **Financial Content & Process**<br><br>*Within your close/family relationships, which of the following situations are impacting you or others?*<br><br>*(Mark all issues that apply)* | **Financial Process**<br><br>*Within your close/family relationships, which of the following situations are impacting you or others?*<br><br>*(Mark all issues that apply)* |
|---|---|---|
| ○ Accruing Debt | ○ General spending and money issues are negatively impacting couple/family relationships | ○ Excessive spending |
| ○ Bankruptcy | ○ Disagreements/fighting regarding how money should be spent or saved | ○ Excessive gambling |
| ○ Budgeting | ○ Disagreements/fighting regarding what money means to us | ○ Habits or lifestyle choices where extensive money is needed |
| ○ Poor Credit Score | ○ Disagreements/fighting due to one being a saver and the other being a spender | ○ Hiding spending or other financial information from partner or family members |
| ○ Excessive Past Debt | ○ Using money as a tool to manipulate/control partner or other family members | ○ Hiding past debt from partner or other family members |
| ○ Inheritance | ○ Unilateral decision-making regarding how many is spent or saved | ○ We avoid discussing money |
| ○ Investing | ○ Trust issues around finances involving partner and other family members | ○ Trying to live/maintain a lifestyle that is not concurrent with existing income level |
| ○ Retirement | ○ Other:________________ | ○ Trying to keep up with others and their lifestyles. |
| ○ Legal-Financial | | ○ One partner tries to control all money decisions |
| ○ Mortgage | | ○ Other:________________ |
| ○ Taxes | | |
| ○ Welfare/Poverty | | |
| ○ Estate planning | | |
| ○ Other:________________ | | |

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The Personal & Relationship Financial Assessment Tool (PREFAT - Form B)

Financial stress is a common reason for seeking counseling. Please look at the lists below of common financial issues and check all that apply to you and your relationship(s).

| **Financial Content** | **Financial Content & Process** | **Financial Process** |
|---|---|---|
| *What financial situations are you or partner/family members currently facing?*<br><br>*(Mark all issues that apply)* | *Within your close/family relationships, which of the following situations are impacting you or others?*<br><br>*(Mark all issues that apply)* | *Within your close/family relationships, which of the following situations are impacting you or others?*<br><br>*(Mark all issues that apply)* |
| ○ Accruing Debt<br>○ Bankruptcy<br>○ Budgeting<br>○ Poor Credit Score<br>○ Excessive Past Debt<br>○ Inheritance<br>○ Investing<br>○ Retirement<br>○ Legal-Financial<br>○ Mortgage<br>○ Tax<br>○ Welfare/Poverty<br>○ Estate planning<br>○ Other:________________ | ○ General spending and money issues are negatively impacting couple/family relationships<br>○ Disagreements/fighting regarding how money should be spent or saved<br>○ Disagreements/fighting regarding what money means to us<br>○ Disagreements/fighting due to one being a saver and the other being a spender<br>○ Using money as a tool to manipulate/control partner or other family members<br>○ Unilateral decision-making regarding how many is spent or saved<br>○ Trust issues around finances involving partner and other family members<br>○ Other:________________ | ○ Excessive spending<br>○ Excessive gambling<br>○ Habits or lifestyle choices where extensive money is needed<br>○ Hiding spending or other financial information from partner or family members<br>○ Hiding past debt from partner or other family members<br>○ We avoid discussing money<br>○ Trying to live/maintain a lifestyle that is not concurrent with existing income level<br>○ Trying to keep up with others and their lifestyles.<br>○ One partner tries to control all money decisions<br>○ Other:_______________ |
| **Consider a Referral to a Financial Planner** | **Consider a Referral to a Financial Counselor** | **Maintain Therapeutic Relationship and address financial process issues** |

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